

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7097

BILL NUMBER: SB 337

NOTE PREPARED: Jan 4, 2004

BILL AMENDED:

SUBJECT: Property tax appeals.

FIRST AUTHOR: Sen. Rogers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill allows a Lake County taxpayer to appeal a real property assessment determined by the Department of Local Government Finance (DLGF) for the 2002 assessment date after the taxpayer receives a statement for the property taxes that are based on the actual assessed value of the property as of that assessment date. The bill allows the DLGF to renegotiate with its contractor for services related to the appeals.

Effective Date: Upon passage.

Explanation of State Expenditures: The DLGF is currently contracting with an appraisal firm to conduct assessments in Lake County for the 2003 reassessment. Currently, after receiving the report of assessed values from the appraisal firm, the DLGF gives notice to the taxpayer of the amount of the reassessment. Under current law, a taxpayer must initiate the informal hearing process by notifying the DLGF of the taxpayer's intent to participate in an informal hearing not later than 45 days after the taxpayer received notice of the assessment from the DLGF. If the taxpayer seeks to appeal a DLGF determination to the Board of Tax Review, the taxpayer must notify the Board not later than 45 days after the DLGF notice.

Under the proposal, the taxpayer must notify the DLGF or the Board of Tax Review within 45 days after the later of the date upon which the taxpayer received notice from DLGF or the date the taxpayer receives a statement for the property taxes. The proposal allows the DLGF to negotiate an addendum with the contractor to implement the above. (This provision expires January 1, 2006.) The above provisions may result in additional administrative expenses to the DLGF associated with modifications to existing contracts. The contractor may also experience additional costs, that may be passed on to the DLGF, because more taxpayers may file for an informal hearing. The Board of Tax Review may also experience an increase in

costs associated with additional appeals that may result from the proposal. The impact to the DLGF and the Board of Tax Review is indeterminable and will depend on the number and nature of additional informal hearings and/or appeals that occur as a result of the proposal.

Explanation of State Revenues: The state levies a small tax rate for State Fair and State Forestry. If providing for additional hearings or appeals result in changes in assessed valuations, any change would affect revenues collected for these two funds.

Explanation of Local Expenditures:

Explanation of Local Revenues: Total local revenues in Lake County, except for cumulative funds, would remain unchanged. If the proposal results in a change in total assessed valuation, any change would affect revenues collected for cumulative funds. Revenues would be changed by the product of the fund rate multiplied by the change in assessed value amount applicable to that fund.

State Agencies Affected: DLGF and the Board of Tax Review.

Local Agencies Affected: Local taxing units.

Information Sources:

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